



Strong Q4 performance brings Linkfire substantially closer to breakeven

Q4 2022 webcast

February 23, 2023

Lars Etrup, CEO & Co-founder

Tobias Demuth, CFO

Practicalities and disclaimer

Q&A session and material

Questions can be raised via the **chat function** or sent to **investors@linkfire.com**.

All material is available at **bio.to/LINKFI_IR** or can be downloaded on **investors.linkfire.com**.

Webcast recording available later today.

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Agenda

- 01** Business & market updates
- 02** Business highlights 2022
- 03** Financial performance Q4 & FY2022
- 04** Outlook
- 05** Q&A

Presenting today



Lars Ettrup
CEO & Co-founder



Tobias Demuth
CFO

“Revenue growth above 70% and substantially improved EBITDA ratio

Revenue up by 72 per cent to DKK 16.8M (Q4 2021: DKK 9.8M)

Gross profit up by 90 per cent to DKK 13.3M (Q4 2021: DKK 7.0M) at a gross margin of 79 per cent

EBITDA improved by 49 per cent to negative DKK 5.4M (Q4 2021: negative DKK 10.6M)

EBITDA ratio of negative 18%, an improvement of 87% to Q4 2021

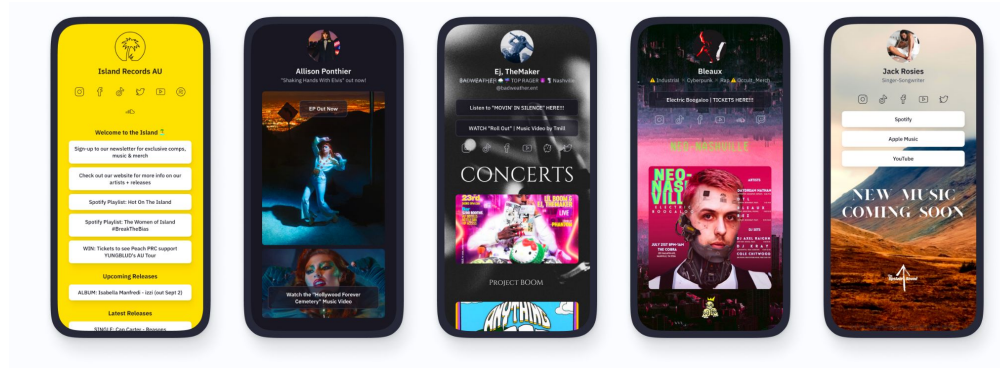


01

Business & market updates

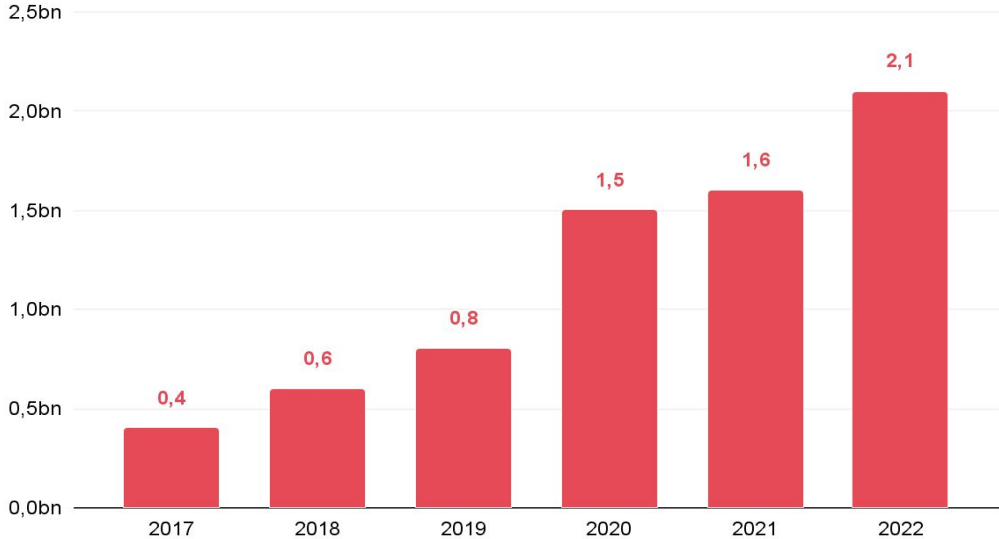
“We help music and audio creators promote their products

Optimize promotional impact, drive music streams, increase ticket sales and recommend audio content to billions of fans globally



Powering promotional links and micro-sites for thousands of artists worldwide

“We connect billions of consumers to streaming, ticketing and merch services



Business recap

Subscriptions

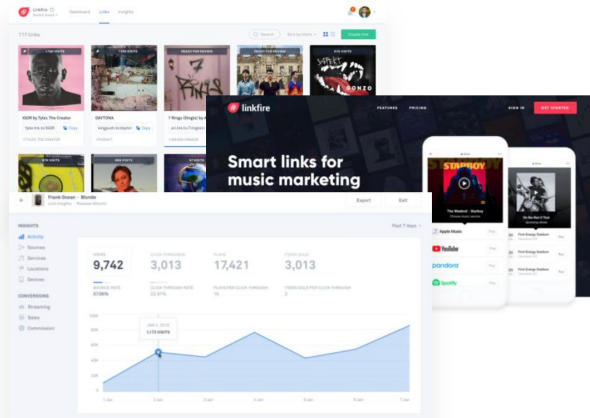
The leading marketing platform for artists and labels

61% of total revenue 2022

Customers are record labels, artists and distributors.

Features include smart links, micro-sites and data insights.

Unparalleled data partnerships with leading streaming and ticketing services.



Commission

Monetising traffic sent to service providers and shops

39% of total revenue 2022

Some services pay a fee if a Linkfire drives a sign up or transaction.

Commissions are driven by high traffic growth and good deals with services.

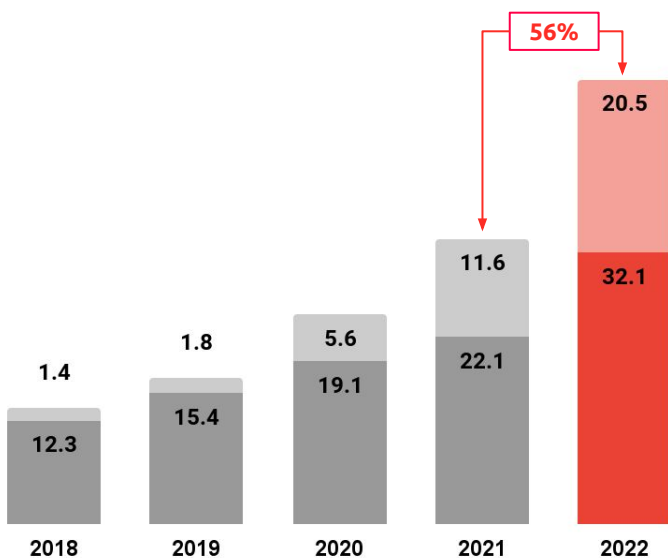
High gross margin income stream. Revenue is split with the artists / labels.



“Solid financial trajectory and underlying metrics.”

Revenue (mDKK)

Commission Subscription



Key financials for 2022

56%

Revenue Growth

76%

Commission Growth

75%

Gross Margin

2.1bn

Consumer Connections

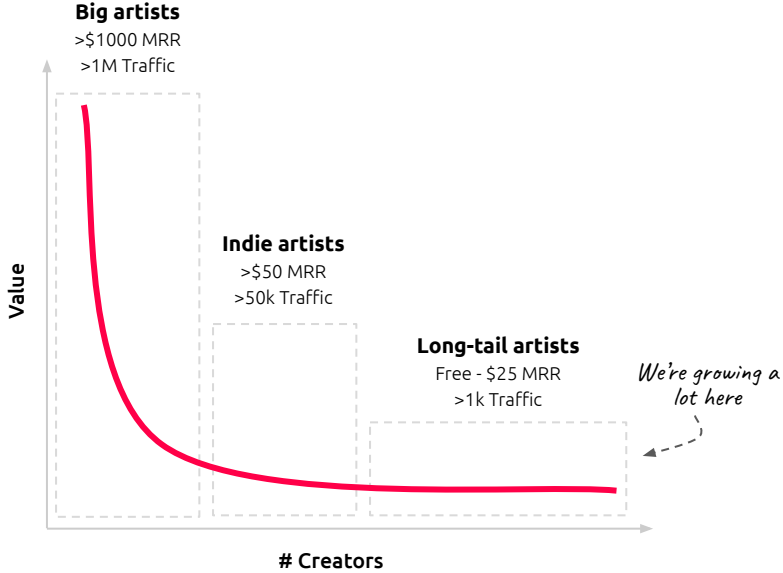
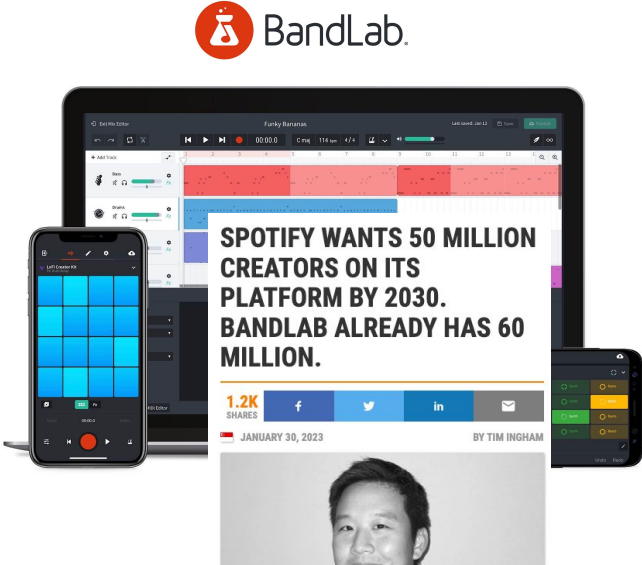
9 DKK

RPM (Rev. Per Mille)

23%

RPM Growth

“ Music and audio creator space continues to grow



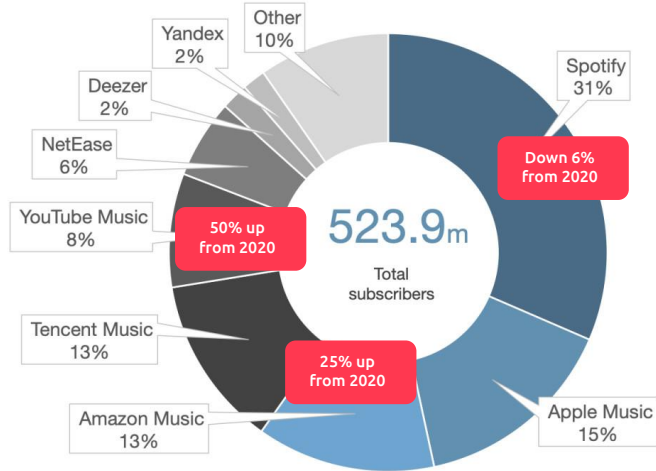
Market Updates

Spotify is first music streaming service to surpass 200M paid subscribers

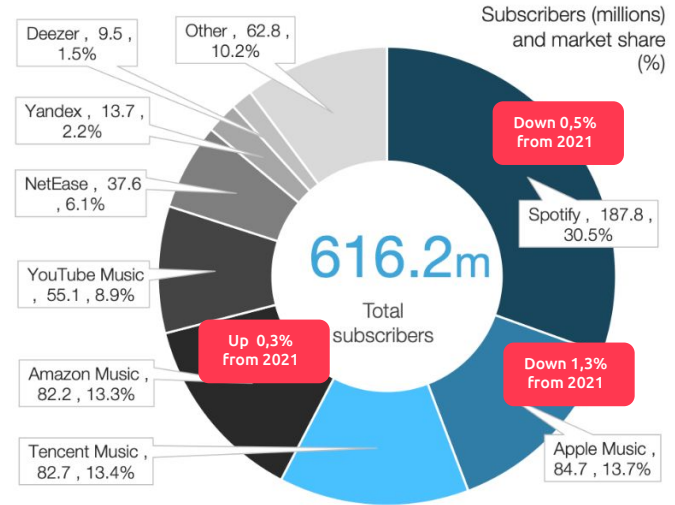
Q4, 2022

\$4.5bn

Annualized Opportunity



Global streaming music subs market, Q2 2021



Global streaming music subs market, Q2 2022

<https://midiareserach.com/blog/music-subscriber-market-shares-2022>

Focus on break-even and our core operations



EBITDA breakeven in 2023

Running a streamlined and more focused organization

Fewer strategic objectives.
Focus on our core business.

Expecting EBITDA breakeven in
2023.



Focusing on our SaaS Platform & Customers

Improving offering and marketing funnel

Improve our core product
offering and dedicate more
resources to optimising our
marketing funnel.

New Artist bio link is key
objective.



Continue increasing traffic monetization

Continue improving our RPM

Improve on existing deals,
negotiate new and increase
click-through rates.

Historical RPM performance in
Q4/22.



Vertical Expansion

Expand beyond music into audio and spoken word

We're currently working on
adding podcast into our
product offering.

Expanded Apple Music
agreement in Q3/2022.

02

Business highlights Q4 2022

2022 Highlights



Apple Music

Extended and expanded deal

Scales and improves Linkfire's technology and client offering.

Substantially enhances the platform offering for customers and partners.



Bio Link 2.0

The Next Generation

Enables the creation of aesthetically pleasing micro-sites, promoting multiple assets at once.

Design customization and best-in-class insights empower artists and brands to improve strategy and performance.



Organizational Development

Adjusted internal focus

Focusing on Platform as the profitable part of the business.

Reducing growth investment into Partners and Discovery Network.

Supports the narrowed focus on short-term return initiatives.



Funding

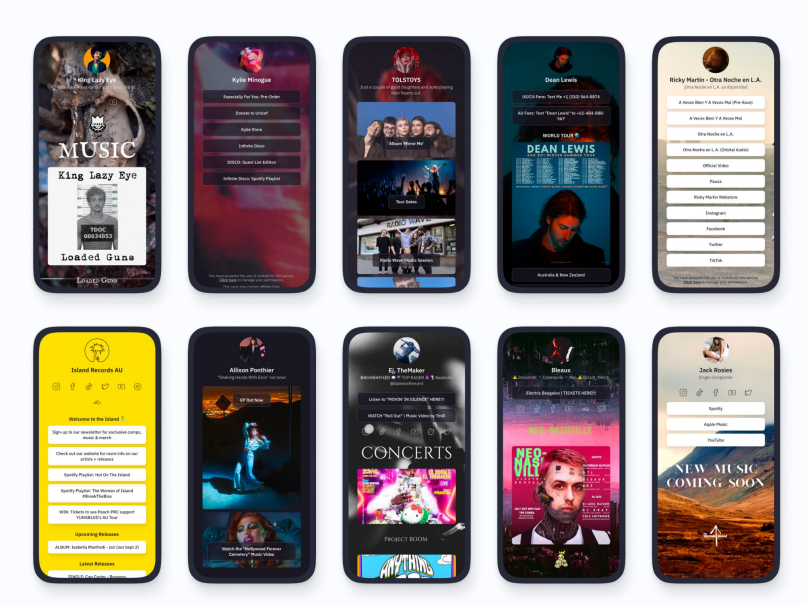
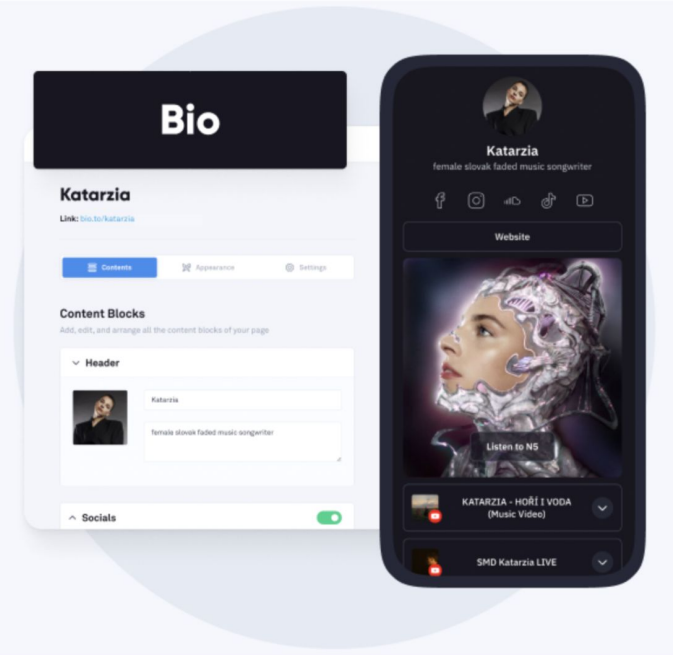
Securing path to profitability

Secured DKK 45M in a directed share issue of two tranches.

Highlighting the strong capital partners Maverick and ICS as well as industry participation by Kuok Meng Ru, CEO & Founder of Caldecott Music Group.

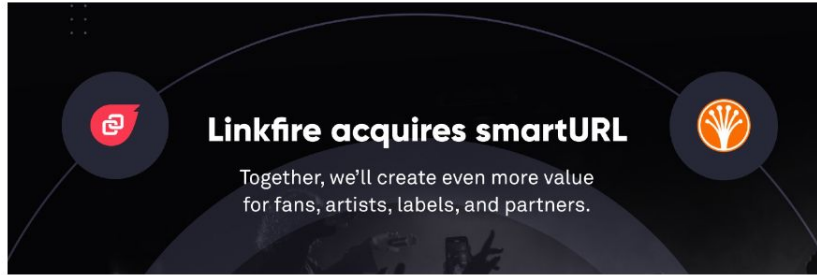
“Introducing our next gen Artist Biolink

Goodbye artist websites. Customise as you please.



“Update on our smartURL acquisition

We continue to see strong indirect value from the deal



Smart-links and music marketing firm Linkfire [went public in June](#) with a listing in Stockholm. Now it's making a bold expansion move by acquiring one of its main rivals, SmartURL.

The latter is the US firm, based in Boston, which has been working with artists and other clients since 2011.

"They started years before us, they've kind of pioneered this industry," Linkfire CEO Lars Ettrup told Music Ally, in an interview for our [Music Ally Focus podcast](#) which has been released today.

"They started this smart linking kind of space... Really what we're looking for here is someone that is interested in building a bigger play to service labels and artists at a much greater scale."

Purchase price paid for the asset

- smartURL asset was integrated by Q3 and Subscription clients are incoming
- The main anticipated value from the asset was traffic, synergies and indirect value
- Traffic has been lower than expected while indirect values have been significant

Earn-out arrangement for separate revenue generation

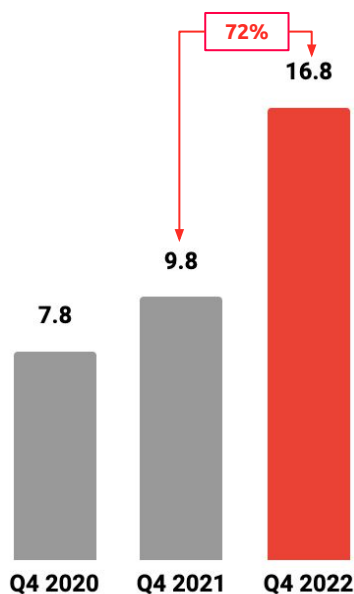
- Main goal was to lift monetization and RPM
- Direct revenue contribution is below 2% of 2022 revenue
- Financial earn-out reservation has been written down accordingly

03

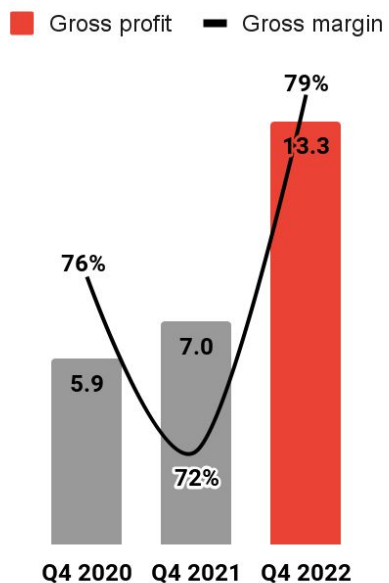
Financial performance Q4 and FY2022

Key financial metrics Q4 2022

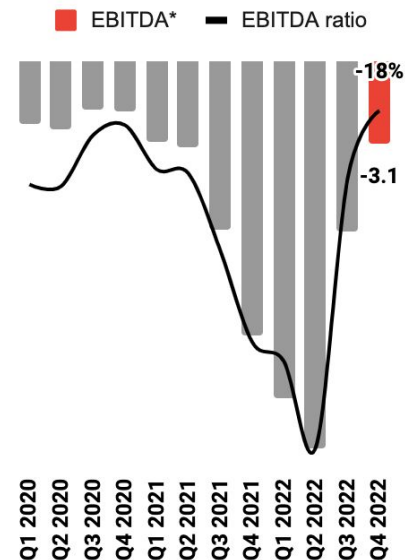
Revenue Q4 (mDKK)



Gross profit (mDKK)



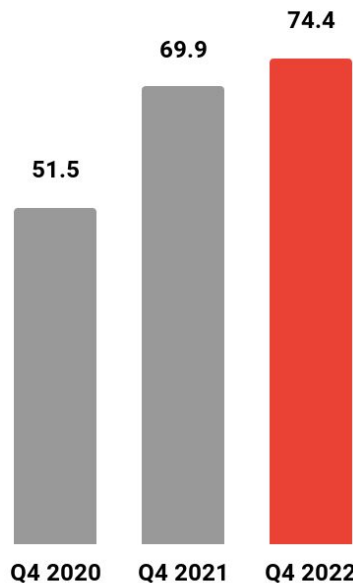
EBITDA Q4 (mDKK)



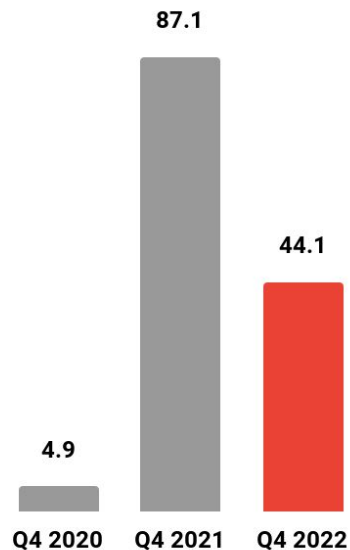
* Adjusted for extraordinary costs such as severance and IPO costs

Key financial metrics Q4 2022

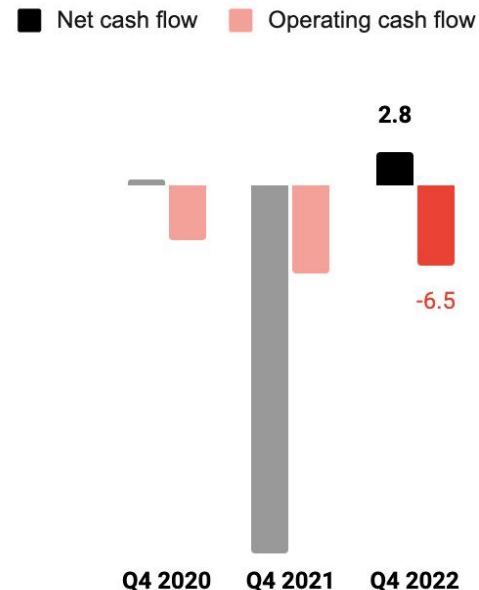
Intangible Assets (mDKK)



Equity (mDKK)



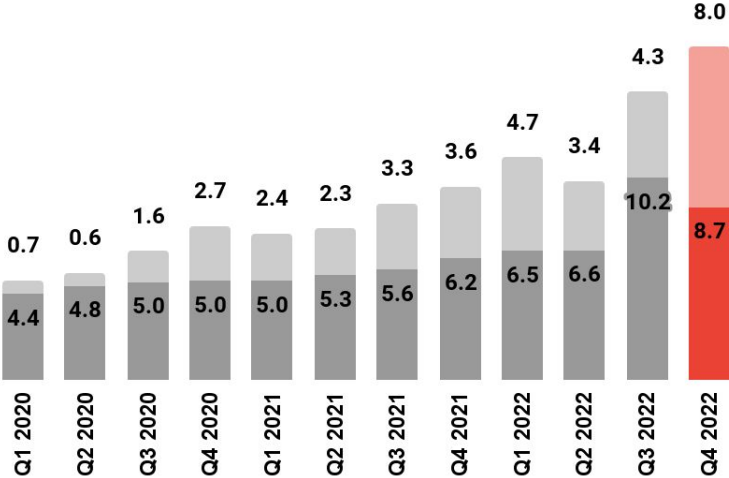
Cash flow (mDKK)



Key performance metrics Q4 2022

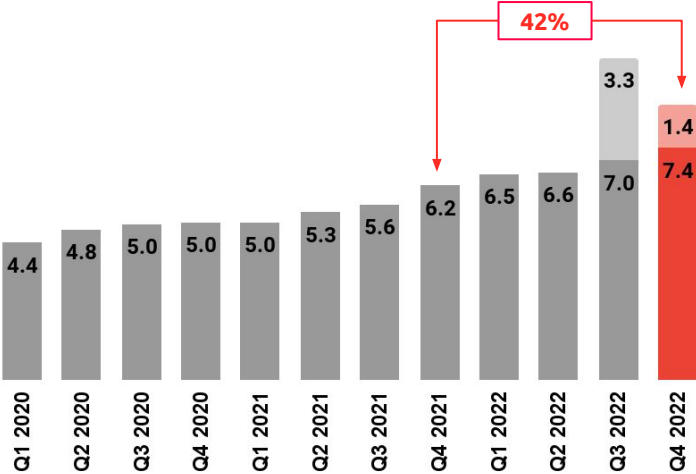
Revenue (mDKK)

Commission Revenue Subscription Revenue



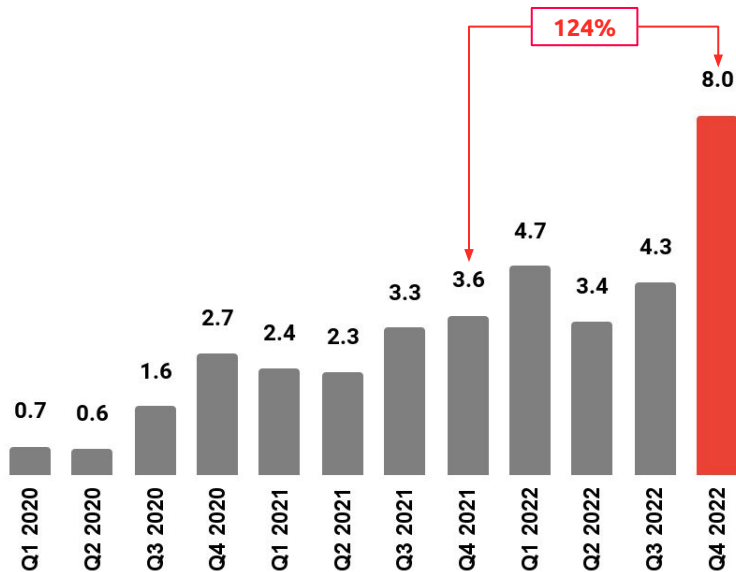
Subscription Revenue (mDKK)

Non-recurring Recurring

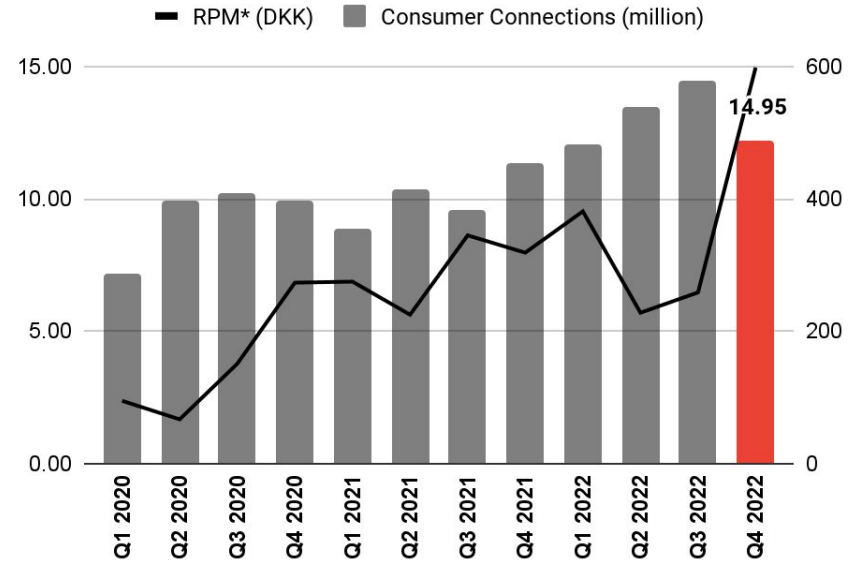


Key performance metrics Q4 2022

Commission revenue (mDKK)



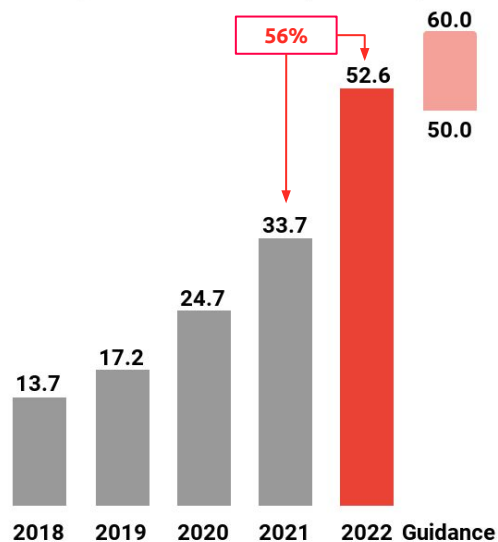
Commission Revenue drivers



* Revenue per Mille on a constant currency basis - Commission Revenue per thousand Consumer Connections

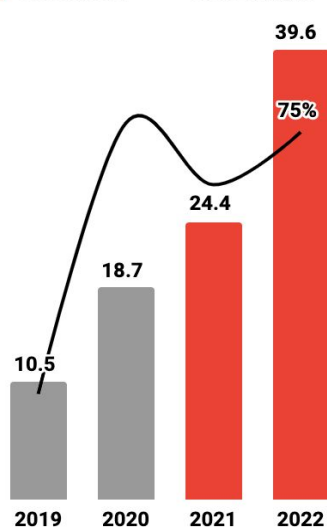
Key financial metrics full year 2022

Full year revenue (mDKK)

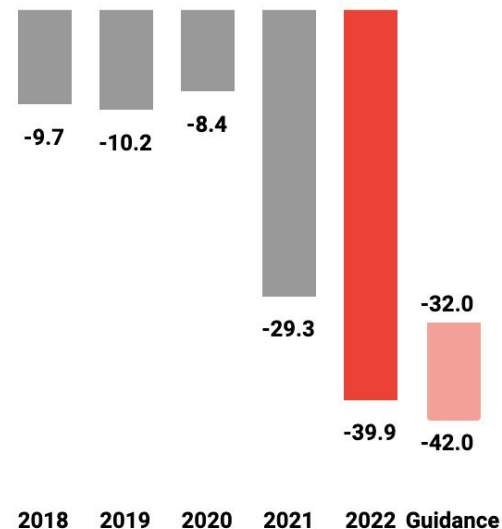


Full year gross profit (mDKK)

■ Gross profit ■ Gross margin

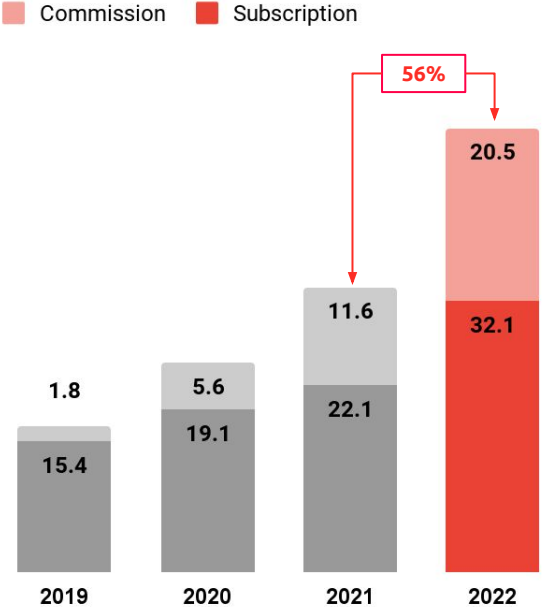


Full year EBITDA (mDKK)

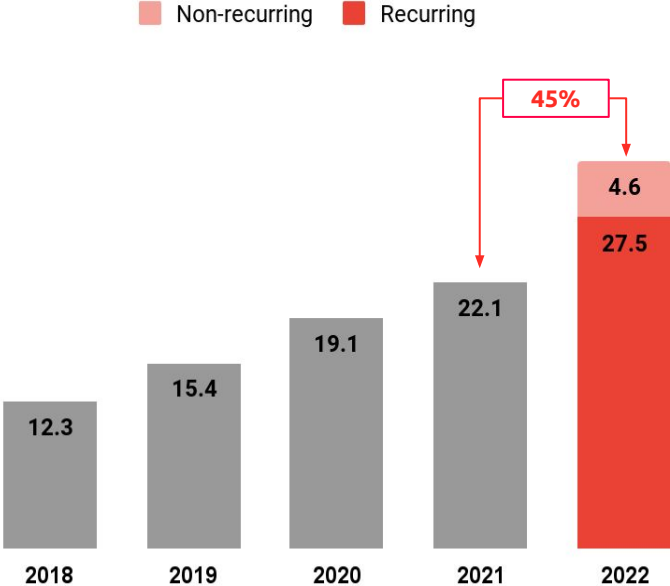


Key performance metrics full year 2022

Revenue (mDKK)

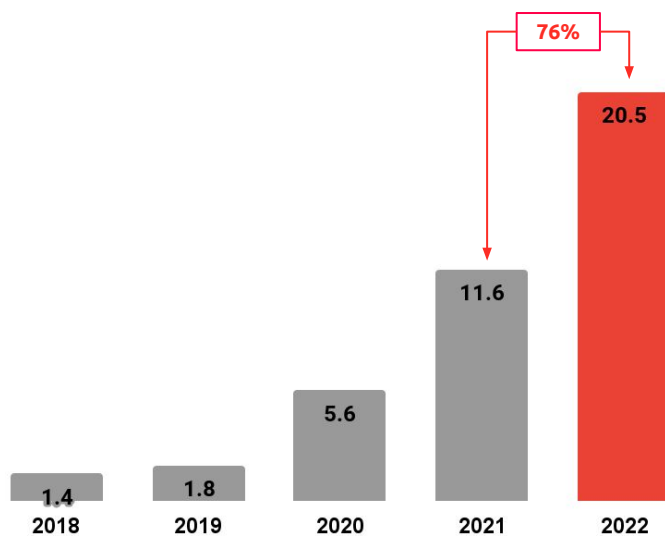


Subscription Revenue (mDKK)

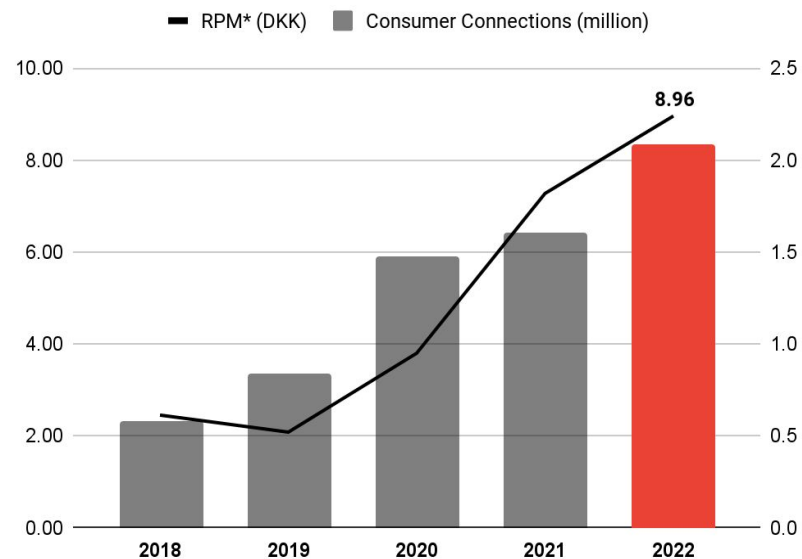


Key performance metrics full year 2022

Commission Revenue (mDKK)



Commission Revenue drivers



* Revenue per Mille on a constant currency basis - Commission Revenue per thousand Consumer Connections

04

Outlook and guidance

Our outlook and financial guidance

Mid-term targets (3-5 yrs from IPO)

20-40%*

Organic Growth

≈80%

Gross Margin

Financial guidance for 2022 (published in April 2022 and updated in connection to Q2 report in August)

Linkfire expects its revenue to be in the range of DKK 50-60 million, corresponding to a yearly growth of 48-78%, and its EBITDA to be in the range of negative DKK 32-42 million (previously 22-32).

Having invested into growth initiatives with longer return profiles than the current market conditions allow, we have decided as a response to streamline the organization to focus on shorter-term value generating initiatives.

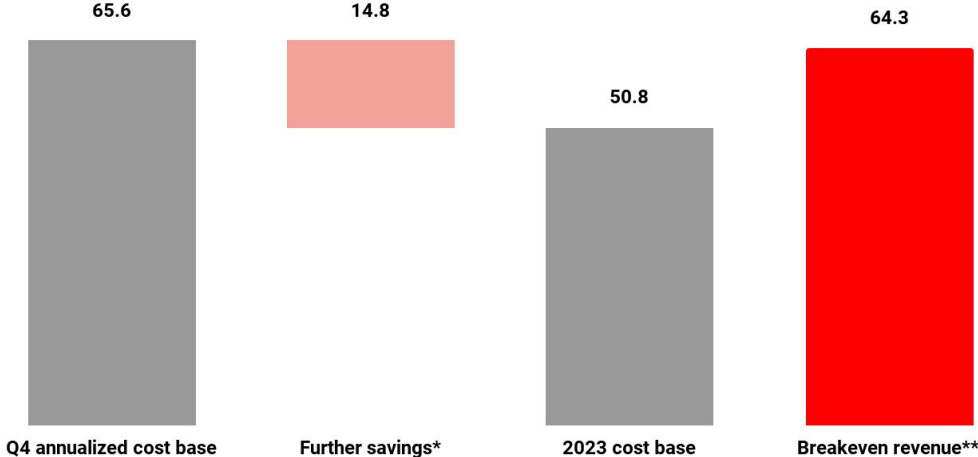
The result of this is the main reason for adjusting our EBITDA guidance. Reversely, the initiatives that remain are proven and have shown faster than expected return, providing confidence in our revenue guidance and allowing us to focus on fewer initiatives that will return upside faster. In order to achieve our guidance, performance on the following key drivers is required:

- Continued strong RPM performance
- Traffic growth and expansion of the discovery network
- Continued product innovation and development
- Continued inflow of new subscription customers and ability to upsell to existing customers

In 2022, Linkfire expects continued investments into reaching its mid-term growth target in accordance with the announced growth strategy in the IPO prospectus. Possible deviations from the guided range depend on investments into new strategic opportunities supporting our announced growth strategy.

Path to EBITDA profitability

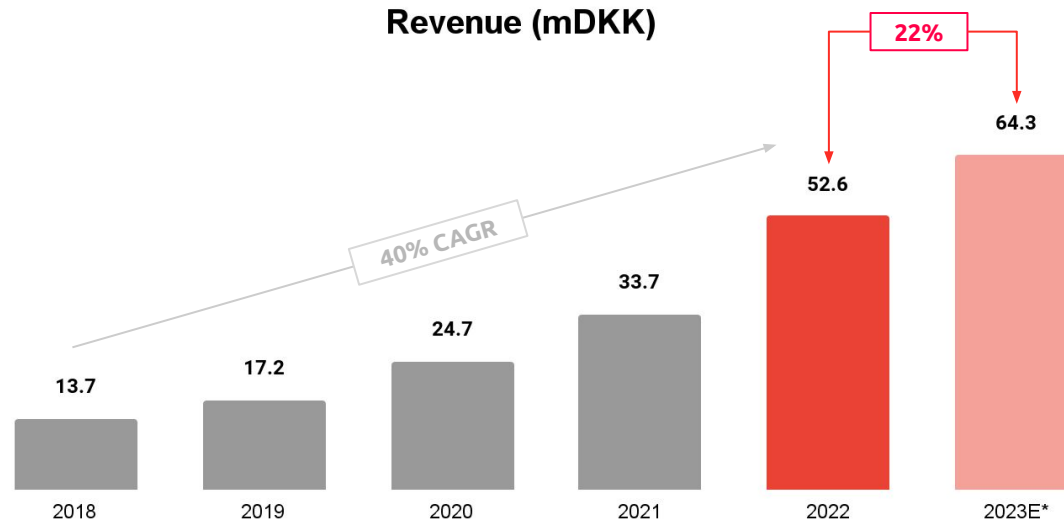
Path to EBITDA profitability bridge (mDKK)



* Already concluded but effective as of 2023

** At Q4 2022 gross margin

How do we reach DKK 64.3M revenue?



** 2023 revenue estimate is not a guidance statement but solely serves the purpose of comparison and clarification for the purpose of the slide*

05
Q&A

Thank you for joining us!

Our **2022 Annual Report** is out on **April 5, 2023** & **Q1/23** interim report is out on **May 25, 2023**.
In the meantime, you can reach us via phone or through investors@linkfire.com.

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